

has led SBA's Disaster Loan Program through difficult reorganization and development phases, and in doing so has taken an inherently unpredictable and difficult to manage program and made it one of the best-managed in government. He has brought tremendous expertise and professionalism to difficult policy and budget deliberations in Washington. He has developed a skilled and dedicated management team and a core group of professional disaster specialists. But perhaps most important are the extraordinary numbers of people whose lives he has touched—during Berky's tenure, literally hundreds of thousands of disaster victims have received the help they desperately needed to rebuild homes and businesses ravaged by disasters of every sort.

Those of us who have worked closely with Berky on disaster issues will certainly miss that professional relationship, but all of us owe Berky our gratitude, not only for his efforts on behalf of our constituents, but for his exemplary dedication to the highest traditions of public service. I ask that all my colleagues join with me in wishing Berky the very best in his retirement after his long and distinguished career.

INTRODUCTION OF LEGISLATION
TO PROVIDE TAX RELIEF FOR
MUTUAL FUND SHAREHOLDERS

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 2000

Mr. SAXTON. Mr. Speaker, our tax code has many features that are economically counterproductive, but few are as destructive as those aimed at personal saving and investment. The current tax system undermines personal saving and investment in many ways, but today I would like to address the tax treatment of mutual fund capital gains distributions. Middle income savers and investors involuntarily receive these distributions from their mutual funds, and must pay tax on them even though they may have sold no shares in the fund. Today, I am introducing legislation to provide a partial exclusion limiting the federal taxation of these involuntary distributions.

Essentially, the current law forces middle income savers and investors to pay tax on capital gains they have not realized. Even if the value of their shares has declined or they have owned them for only a short time, they can be slammed with a huge tax liability. As a recent Joint Economic Committee study pointed out, this tax can reduce the pre-liquidation rate of return by 10 to 20 percent. Furthermore, due to the complexity of the law, many taxpayers can easily pay this tax twice. This is unfair and undermines incentives to save and invest.

In recent years, mutual funds have enabled many ordinary Americans to share in the tremendous economic gains that resulted from the technological innovation, productivity gains, and surge in wealth of the 1990s. Tens of millions of ordinary Americans now have substantial investments in the financial markets, many of them through mutual funds. Federal policy should accommodate these ef-

forts of our citizens to provide for their retirement security, education, housing, and other needs. Federal tax policy should not erect excessive tax barriers undermining the incentives and ability of middle income taxpayers to plan for their own needs.

Today, I am introducing legislation providing a \$3,000 tax exclusion for individuals, and a \$6,000 exclusion for couples, to shield annual capital gains distributions. When taxpayers sell their shares in the mutual fund, they would pay the tax on these gains, but these exclusions would shield most middle income taxpayers from immediate taxation and potentially double taxation on capital gains distributions. Other investors generally are not taxed on an accrual basis on their capital gains, and we should do what we can to level the playing field, and end tax discrimination against personal saving and investment. As the eminent economist Irving Fisher once wrote, "A tax on accretion penalizes those who are rising the social scale, the builders of the nation . . ." The current tax bias against thrift should be a major target of reform for the foreseeable future.

UNITED AIRLINES—US AIRWAYS
MERGER

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 2000

Mr. WALSH. Mr. Speaker, I want to express my strong reservations about the proposed merger of United Airlines and US Airways. While I am a strong proponent of economic growth and development, this recently announced merger could only have a detrimental impact on Central New York air service and our economy. Congress was told by the airline industry in 1978 that deregulation would bring about greater competition, better service, and lower costs for the consumer. In many of our large, major urban centers this is exactly what happened; however, smaller urban areas haven't seen similar results. Many of these communities find themselves saddled with one dominant carrier and no competition resulting in extremely high airfares.

This combination of the two airlines would not only control about 27 percent of the U.S. market but over 50 percent of the travel market out of Syracuse, which already pays the fifteenth highest airfares in the Nation. I cannot support a merger if increased travel costs, possible loss of service, and dismissal of long-time employees are part of the equation.

TRIBUTE TO ROBERT PORCHER

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 2000

Mr. CLYBURN. Mr. Speaker, I rise today to ask my colleagues to join me in paying tribute to Robert Porcher III, for being honored "Father of the Year" at The National Fatherhood Initiative (NFI) Annual Awards Banquet held

on June 2, 2000. The National Fatherhood Initiative was founded to stimulate a national movement while confronting the growing dilemma of father absentia. NFI is dedicated to improving the lives of children by increasing the number who have involved, committed, and responsible fathers.

In a league that has been shrouded with negative media coverage on irresponsible fatherhood, Robert Porcher was one of the first athletes to take a stand for responsible parenting. He has been a humanitarian, actively participating in Detroit's United Way as the official spokesman; a philanthropist, making a lifelong commitment to provide funds enhancing public awareness, increased educational opportunities, and aid to economically disadvantaged individuals; and a mentor, providing deserving youth with scholarship assistance and recreational activities through the Robert Porcher Scholarship Award and Top of the Line Football Camp.

Always committed to his educational endeavors, Robert graduated from Cainhoy High School in Wando, South Carolina. In 1992, he matriculated at South Carolina State University where he earned a Bachelor of Science degree in criminal justice. During his outstanding collegiate career, Robert was named 1991 Walter Camp All-American and 1991 MEAC Defensive Player of the Year. He entered the National Football League as a first-round draft pick by the Detroit Lions.

Mr. Porcher is a spectacular athlete, devoted father, advocate, humanitarian, and philanthropist. He is a man of extraordinary kindness and courage, intellect and eloquence. Mr. Speaker, please join me in honoring Robert Porcher, III, for his outstanding work as an exemplary father, athlete, and role model.

INTRODUCING THE PUBLIC INVESTMENT RECOVERY ACT OF 2000

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 2000

Mr. CAPUANO. Mr. Speaker, today I filed the Public Investment Recovery Act of 2000. This legislation would enable the Federal Government to recover a portion of the taxpayer dollars currently used to develop pharmaceutical, biologic and genetic products.

It is important that both Congress and the pharmaceutical industry recognize that the American people, through Federal tax money, contribute substantially to the development of new drugs. Sadly, many of these same taxpayers are without prescription drug coverage and cannot afford the high costs of these medications.

Consider a recent report in the New York Times which focused on the hardships of one of our nation's senior citizens who has no prescription drug coverage. The gentleman featured in the report depends on an \$832 monthly Social Security check to survive. Tragically, these funds are not enough to pay for the eye drops he needs to battle his disabling glaucoma. Yet, the drug he so desperately needs—Xalatan—was developed with

significant investment by the National Institutes of Health; an investment funded primarily by the ordinary American taxpayer.

The fact is a significant portion of the drugs sold on the market have benefited from taxpayer investment. How much? The answer is not clear; the pharmaceutical industry is protective when it comes to the costs of drug research and development. What is clear is that in 1999, alone, the top 12 drug companies made over \$27.3 billion in profits. Moreover, a study done in 1995 by the Massachusetts Institute of Technology found that 11 of the 14 drugs identified by the pharmaceutical industry as the most medically significant in the past 25 years (1970 to 1995) were developed with taxpayer dollars.

We cannot continue to fund basic research that allows the pharmaceutical industry to generate such substantial profits while consumers are required to pay excessive prices for their prescription drugs. The Public Investment Recovery Act of 2000 will recoup a portion of the initial federal seed money for the government which could then be used to finance additional research and development efforts as well as to strengthen a Medicare prescription drug benefit. As stakeholders in our national research efforts, we should not be asked to contribute to research without the benefit of having access to affordable medicine that this research yields.

HI MEADOWS AND BOBCAT GULCH FIREFIGHTERS

HON. BOB SCHAFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 2000

Mr. SCHAFER. Mr. Speaker, I rise today to salute the courage of the firefighters who fought the Bobcat Gulch and Hi Meadows fires in Colorado. These men and women risked the extreme dangers to aid the people of Colorado's Fourth Congressional District.

The two fires each raged for over a week before containment in the late evening of June 20. In Bobcat Gulch, the initial cause was a campfire, which grew to consume 10,600 acres before containment was achieved. A group of 821 workers, 5 helicopters, all making up 28 crews, worked diligently to overcome the uncooperating weather. Similarly, at Hi Meadow, 1,000 workers, 7 helicopters, and 71 engines battled the blaze.

These individuals deserve our gracious appreciation for pulling together as a team to help save the lives and property of people in Colorado.

INTRODUCTION OF THE MEDICAL RESEARCH INVESTMENT ACT

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 2000

Ms. DUNN. Mr. Speaker, I rise today with my friend Mr. CARDIN of Maryland to introduce the Medical Research Investment Act.

The MRI Act increases the annual percentage-of-income limitations for individual charitable contributions for medical research from 50 percent to 80 percent. To the extent that such medical research contributions by an individual exceed the enhanced annual percentage-of-income limitation, such excess would be permitted to be carried forward for the succeeding ten taxable years, rather than for the 5 years allowed under current law. In addition, the legislation ends the unfavorable treatment of gifts of stock acquired by incentive stock options for an individual who gives publicly traded stock, earmarked for medical research, to a charitable organization during the first year after the date of exercise of the stock option. The MRI Act will prevent those taxpayers from being penalized with ordinary income tax or alternative minimum tax when they are trying to give away their wealth to help people. No longer will people have to sell \$140 worth of stock to give away \$100, or delay their contributions when that money can be put to work today curing disease.

This country stands on the threshold of an important opportunity for philanthropy. More Americans than ever, many in the high-tech industries, have been able to amass an abundance of wealth in a short time, and are eager to invest in their communities and in their nation. This legislation allows such high net worth donors, who have the capacity to contribute significantly more than they can deduct under current law, to make large charitable contributions for medical research. It also allows those same potential donors, many of whom have a large part of their wealth tied up in stock options, to contribute their stock to a charity for medical research without incurring taxable income.

Academic research on charitable giving has found, time and again, that individuals tend to give more when the price of giving is lower. This legislation establishes the favorable tax treatment that will stimulate charitable donations of cash and property to medical research. In fact, a study by Price WaterhouseCoopers estimated that if the proposal were effective this year, the additional giving spurred by this bill would be \$180.4 million in 2000—over a 4 percent increase in charitable giving by individuals for medical research. Over 5 years, it would inspire over \$1 billion dollars in additional medical research. In my home state of Washington alone, the increase in the first year would be \$3.67 million.

Increased investment in medical research consistently results in an improvement in the health of Americans and in the health of America itself. For instance, increases in life expectancy in the 1970's and 1980's were worth \$57 trillion to America. Indeed, improvements in health have accounted for almost one-half of the actual gain in American living standards in the past 50 years. It is anticipated that if medical research reduced deaths from cancer by just one-fifth, it would be worth \$10 trillion to Americans. Personal, medical, and insurance expenditures would be reduced, as would public expenditures for Medicare, Medicaid, and other governmental medical assistance programs. Losses in national productivity due to illness would be reduced as well. In a country where cancer costs the nation in excess of \$107 billion annually, diabetes costs

us \$105 billion annually, and Parkinson's Disease in excess of \$25 billion annually, there is certainly room for improvement in health. Quick and steady improvement is only possible with increased funding of research.

Today at the introduction of this bill, Cathy and Caity Rigg of Enumclaw, Washington joined us to tell their story. Caity is 8 years old and suffers from juvenile diabetes. She and her mother Cathy have been tireless advocates for increasing both government and private funds to find a cure for diabetes. Under this bill, we will greatly enhance the available funds for research. I am attaching Caity's remarks since I believe that she, more so than anyone, can attest to the difficulties of living with a debilitating disease.

Mr. Speaker, the time to act—to secure the significant gifts that many individuals are anxious to donate to charities—is now. We are entering an era of explosive growth in knowledge that will substantially advance scientists' ability to understand, prevent, and cure disease. I hope I can count on the support of each Member of Congress to pass this bipartisan bill. It is crucial to the health of every American.

Thank you Congresswoman Jennifer Dunn. Thank you to all the congress members here today for remembering kids like me.

My name is Caity Rigg and I'm 8 years old. I've had diabetes for 4 years now. In second grade last year we had our 100th day of school. My teacher asked if I had \$100 to spend what would I do with it. I wrote that I would give it to the doctors so they could find a cure for my diabetes.

I still take 4 shots of insulin every day in my tummy, legs and arms to keep me alive. Sometimes it hurts really bad and I cry but Mom always hugs me. I poke my fingers to get blood all day long so I can see if I need food or medicine. When I need food I sometimes feel really bad and my head gets dizzy.

I see nurse Julie at school every day to check my blood sugar. Some days its good but some days I need juice or a shot in my arm. I don't want to do it anymore, but I have to so I don't go blind or lose an arm or leg or something bad. Mom promises there is no diabetes in heaven, but I want to get rid of it before then.

Please help me by passing the Medical Research Investment Act so that more money will be donated to help scientists and doctors find a cure for me and other children who have to go through what I do.

Thank You!!

RECOGNITION OF AMSA ON THE OCCASION OF ITS 30TH ANNIVERSARY

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 2000

Mr. SHUSTER. Mr. Speaker, as Chairman of the Transportation and Infrastructure Committee, I wish to take this opportunity to congratulate the Association of Metropolitan Sewerage Agencies (AMSA) on the occasion of its 30th Anniversary. AMSA is the only association exclusively representing the nation's municipal wastewater treatment agencies. As front-line environmental practitioners that